Debunking the $100 Million Myth

The DIBC has spent millions of dollars in false advertising telling Michigan residents that the NITC Bridge will cost Michigan taxpayers $100 million per year.

That is absolutely untrue.

That $100 million figure is from a bogus economic study paid for by the Ambassador Bridge and conducted by the Conway McKenzie firm. According to the study, the NITC project will lose $4.7 billion dollars. That is almost $1 billion more than it would cost to build the entire project on both sides of the border.

Here is why the study is wrong:

Conway McKenzie Claim: *The tolls would have to cover the cost of $3.5 billion spent on both sides of the border.*
Truth: The tolls only have to cover the $949 million in private investment. Once that is paid off, they would repay the $550 million to the Canadian government. All other expenditures on the Canadian side are appropriations from the Canadian and Ontario governments and are not paid back with toll revenue.

Conway McKenzie Claim: *The tolls must pay back the $3.5 billion in 25 years.*
Truth: The legislation proposed by Senator Richardville allows for 45 years to pay-off the private investment ($949 million) and the Canadian contribution ($550 million) The study also over estimates the interest rates for both the private financing and the repayments to Canada.

Conway McKenzie Claim*: Michigan will have to cover any shortfalls from tolls to make payments for investment loans or contributions.*
Truth: Canada has guaranteed that they will cover any shortfall between revenues and costs. The legislation prohibits the state from incurring any liability.

Conway McKenzie Claim: *It will cost Michigan taxpayers $100 million per year.*
Truth: This is absolutely untrue. The $100 million dollars is a convoluted formula made up of hypothetical numbers from the bogus Conway study ($70 million yearly cost to state). It then adds theoretical lost revenue from the Blue Water Bridge and Detroit-Windsor Tunnel, and the lost tax revenue from the Ambassador Bridge (figured at a 40% tax rate). And then it adds on property taxes and income taxes from the Delray area. Shifting revenues from one publicly owned crossing to another is not a loss. The DIBC certainly does not pay 40 percent tax rate to the state and the Delray residents will be relocated - not eliminated.